



Restructuring Assistance and Policy Advice for the Ministry of Agriculture and Food of
Georgia

Contract No. LAG-I-00-98-00026-00, Task Order 804
BASIS IQC

PHASE II
SECOND QUARTER REPORT
DECEMBER 1, 2001-FEBRUARY 28, 2002

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March 20, 2002

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Mission

To assist the transformation of the Ministry of Agriculture and Food of Georgia into an effective, honest agency that facilitates increasing the welfare of the country's agri-food producers and consumers.

Major Achievements During the Quarter

In December 2001-February, 2002, the Restructuring Assistance and Policy Advice Project:

- Completed legal and financial audit of the Ministry's Phytosanitary Quarantine Department
- Completed legal opinion on situation of "Counterpart Fund"
- Continued to assist with implementation of World Bank Risk Assessment Exercise
- Assisted in carrying out personnel review in Ministry's Central Apparatus
- Carried out a variety of activities on food safety and standards at the Minister's request
- Provided information, translation assistance, advice and "good offices" for Ministry in dealing with many international donors and programs
- Provided continuing policy advice to Minister and his deputies on a wide variety of issues
- Provided extensive legal drafting assistance to Ministry
- Continued development of Ministry's public information activities, including a daily survey of the local press on agricultural-related issues and periodic surveys of new agricultural-related legislation
- Completed computer design and entry of basic bookkeeping forms required by the Ministry of Finance for government agencies
- Completed the Georgian version of a major study of agricultural risk management at the Minister's request

Project Background

The present Ministry of Agriculture and Food of Georgia, chartered by a Presidential decree of November 17, 1997, is the latest incarnation of an institution which has existed, in one form or another, throughout almost the whole Soviet and post-Soviet period, and which has always been primarily concerned with directing agricultural production. The Ministry is organized hierarchically with smaller versions of its major departments located in each district of the country. As a consequence of the breakup of the Soviet Union and, in Georgia, the extensive civil conflicts that accompanied and followed that disintegration, however, the Ministry has largely lost control of “its” subordinated units.

The USAID-supported Ministry activity responds to Georgian Minister of Agriculture and Food David Kirvalidze’s October 2000 letter requesting donor support for a “temporary agricultural policy analysis group.” The Minister’s original request to donors asked for help in establishing an agricultural policy analysis unit of a sort that have been funded by various donors in many of the transition economies of Central Europe and the former Soviet Union.¹

Agricultural Policy Units:

- help develop and implement market-oriented agricultural policy;
- train their staff in Western analytic techniques and approaches;
- serve as points of contact between donors and recipients; and
- act as catalysts in transforming the structure and functions of government agencies concerned with agricultural policy.

Successful agricultural policy units such as the Polish SAEPR drive overall agricultural reform in their country. Like all public policy activities, they blend quality research, data collection and analysis with policy advice and advocacy that flows organically from their attempts to carefully and critically understand the real situation and issues in the sector, to develop policy alternatives to address those issues, and to dispassionately present the costs and benefits of those alternatives to policy-makers. Although initiated and supported by donors, APUs are locally-run and managed, and do not work if they do not eventually acquire value and importance in the eyes of the country’s agricultural policy-makers.

The Ministry of Agriculture and Food (MAF) also requested assistance from the donors, including USAID and the World Bank, in carrying out an inventory and audit of its assets, many of which had been partially privatized or otherwise distanced from its control in the 1990s. In response to a letter from Minister of Agriculture and Food David Kirvalidze to Mr. Iain Shuker of the Bank of January 10, 2001, and subsequent discussions at a working level between the Ministry Activity and World Bank personnel, the Bank has agreed to provide a second group, to be funded from its Agricultural Development Project loan, to carry out a “Risk Assessment Exercise” (RAE) over an eight-month period. During the quarter, the

¹ The most successful APU and the model for others is the Agricultural Policy Analysis Unit of the Foundation for Assistance Programs to Agriculture (SAEPR) in Poland which is supported by the World Bank, the European Union PHARE program and the Polish government. APUs are also functioning in Ukraine, Latvia and Bulgaria. Attempts to establish them were made, unsuccessfully, in the Russian Federation by the EBRD and in Uzbekistan by Tacis, and efforts to establish one are reportedly underway now in Romania. One of the three principal recommendations for advancing agricultural sector reform in Georgia made by the Polish analysts led by Leczek Balcerowicz in the spring of 2001 was for the establishment of such a unit in the Georgian MAF.

World Bank RAE was fully staffed, moved into appropriate office space in the Ministry, and began full operations.

The project, organized as a task order under the USAID BASIS indefinite quantity contract, began in December 2000, when the USAID mission arranged an initial two-week visit to Georgia for Dr. Van Atta and began full operations February 3, 2001, when Dr. Van Atta returned to Georgia for the duration of phase I. The contract modification for Phase II of the activity, extending through August 28, 2002, was completed by USAID on August 27, 2001.

Strategy for Ministry Reform

Because this is a sectoral Ministry, not a functional one, its difficulties can only be resolved by many coordinated actions. No single change or remedy can fundamentally reform the Ministry in the way that a similar drastic alteration can affect the operations of a functional agency such as the Ministry of Tax Revenues or the Customs Service. Ill-considered or hasty reforms could make the situation much worse, since some of the Ministry's missions, such as monitoring of food safety and animal disease, are fundamental to maintaining the polity and society. For instance, failure to carry out reported vaccinations against anthrax or dishonest monitoring of cattle for signs of BSE or other diseases can have effects far beyond the immediate ones of enrichment of particular corrupt individuals.

Many of the Ministry's problems are structural, resulting from the Soviet system, and as such must be common to all Ministries in Georgia and the other states of the former Soviet Union. They are more obvious here simply because a minister from a new political generation has called attention to them and asked for help in resolving them.

The Ministry of Agriculture and Food of Georgia suffers from a number of underlying problems.

1. The Ministry has been a Soviet-style organization operating in a Soviet-type government. That is, missions, procedures and mindsets have remained those of the Soviet command economy. Moreover, employees have continued to behave in Soviet ways, hoarding information, failing to report fully and truthfully to their superiors, and generally not acting as a cohesive organization with a common mission—and common threats and possible penalties (i.e., unemployment) if the organization's core missions have not been reasonably well fulfilled.
2. The Ministry has had no effective internal control or management procedures, both because the Ministry has continued to operate as part of a single command-economy structure in which organization boundaries are fluid and have little meaning, and perhaps because those management checks and balances used to be provided by the parallel organization of the Communist Party, and no new procedures or institutions have yet evolved.
3. The Ministry has been almost entirely irrelevant to the political, administrative, and governmental needs of a successful market economy. Most of the work the MAF has done is not done at all, or is performed by the private sector or other political bodies, in developed market economies. Much of the basic work of ministries of agriculture in OECD countries, particularly market development, general research and data

collection and dissemination, and agricultural extension, has not been done at all by the present MAF.

4. Despite its origins in the command economy, the MAF possesses little systematic information about its sector. In this regard, it is probably worse off than any other FSU Ministry of Agriculture. Nor does it possess a culture which values systematic, consistent and careful data or the research skills needed to generate such data and draw policy conclusions. As a result, it is very poorly equipped to serve its clients, whether agricultural producers or consumers in ways that they would be likely to see as valuable.
5. The MAF's capacity to absorb donor assistance usefully, or even to track it properly, has been overwhelmed. With the possible exception of World Bank efforts, every donor project that has been implemented in cooperation with the MAF since Georgia regained its independence has been under- or mis-managed in such a way that the present Ministry leadership identifies it as a problem, in some cases involving significant legal and financial liabilities for the MAF and the Government of Georgia.
6. As a result of these conditions, the present Ministry leadership is almost entirely occupied in trying to understand the dimensions of the mess they inherited, and so unable to concentrate on redesigning the Ministry or providing better service to their clients.

The assistance provided seeks to help the Minister define how the MAF should look as an institution at the end of the process of reform as well as to achieve that institutional transformation. The restructuring is being done in a way that maintains Georgian "ownership" of the activities and their results. Maintaining and increasing the Georgian side's commitment requires adjusting to a complex and shifting political and economic situation. Successfully defining new structures also requires that new functions be formulated and understood by the Georgian side. Thus Ministry restructuring, to be effective, must be accompanied by policy analysis and advice.

Activities during the Quarter

The project's work was complicated by a Presidential decision to fire all sitting ministers in early November 2001. There was a long interregnum during which the First Deputy Minister of Agriculture and Food was in charge of the Ministry. However, the Parliament reconfirmed Kirvalidze as minister almost unanimously on December 4, 2001.

During the quarter, the restructuring project concentrated on five principal activities to address the problems outlined above:

- Direct support for ministerial restructuring
- legal and auditing advice and assistance
- donor coordination
- Policy advice and analysis
- Information gathering and distribution

The following sections of this report describe each of these activities in more detail. This presentation differs slightly from the organization of the present work plan, although it covers

all activities in that work plan (Annex 2 summarizes the status of the workplan as of February 28, 2002).

Ministry Restructuring

The process of restructuring involves both the creation of new capacities and functions throughout the ministry and a detailed examination of each existing unit. Since each department has different functions, each unit must be examined individually. The overall structure of the Ministry is set in its charter, and the functions of some of the major departments are set by law. In general however, the procedure employed by the Ministry involves:

1. change the Ministry charter by presidential decree and/or relevant legislation to reflect the planned structural change(s)
2. confirm or replace the unit head
3. audit the unit (if necessary)
4. prepare a new charter for the unit
5. register the new charter with the Ministry of Justice
6. confirm the new charter by Ministerial order
7. draw up and confirm new job descriptions
8. carry out a personnel review in the unit(s)
9. confirm the (new) staff in their (new) jobs
10. (re)train the staff

In a Ministry with at least 35 separate national-level administrative units, with a great variety of duties and needed skills, carrying out this restructuring throughout requires a significant effort.

In carrying out the restructuring work, staff from the project have continued to work closely both with their counterparts in the MAF and with personnel provided by the World Bank through the “Risk Assessment Exercise” (RAE), an activity set up in close coordination with the RAPA project.

Changes in the Ministry Charter

The activities of all Georgian government agencies are regulated by basic statements of their rights and duties, somewhat misleadingly but conventionally called “charters.” The project work plan originally anticipated that an entirely new charter for the Ministry would be prepared. However, reflecting the rolling nature of the Ministry reform in which departments are not being dealt with all at once, so far the overarching legal framework of the Ministry’s operations has been amended as needed rather than being completely redone. It is likely that at some future point the entire Ministry charter should be redrafted. Changes in the Ministry charter since it was adopted in 1997 are summarized in Annex 4. Project staff drafted or commented on all of these documents adopted since the project began operations in February 2001.

A process of legal restructuring has now been completed in the Ministry’s Central Apparatus (roughly, that part of the MAF staff located in the Ministry’s main building on Kostava Street in Tbilisi). During the previous quarter, eight departments were reduced to four and a “Ministry apparatus.” The Minister confirmed new charters for those units, following comments from the Restructuring and Policy Advice Project, on November 30, 2001. On January 18, 2002, the Minister confirmed a new charter for another unit of the central

apparatus, the Food-product Analysis and Monitoring Service. The change had the effect of deemphasizing that unit's previous licensing function.

Central apparatus personnel review

Georgian law requires that a personnel review of all civil servants be carried out once every three years. The "Law on Civil Service" specifies much of what is to be done. The law also provides that vacancies are to be filled by a competitive process. A commission in each agency is to oversee both the competitions for vacancies and the personnel reviews. Under the law, the competitions and reviews must include the gathering and consideration of recommendations from managers, and may include either or both a written examination and a panel interview.

Work on a regularly-scheduled personnel review in the Central Apparatus began in the summer of 2001. The Ministry Personnel Review [Attestation] Commission, chaired by First Deputy Minister Nugzar ("Khuta") Mamaladze, a body required by law, had full charge of the process. Within the commission, the decision of the chairman was, as required by Georgian law and the commission's terms of reference, essentially final.

In order to observe the strictures laid down by the USAID Caucasus attorney, the Restructuring and Policy Advice Project did not directly participate in the attestation process. Specifically, questions for the written examination were not approved by the project management, and no one represented the project on the Attestation Commission. However, the project partly funded the preparation of a bank of more than 1000 questions by a number of specialists in the appropriate areas, as well as providing logistical support for the review. Special care was taken to ensure that the review process was done correctly under Georgian law.

To avoid the problem of keeping the questions confidential, it was suggested that the entire bank of questions should be made public in advance of the written examination. Even though not all questions would apply to all departments, it was assumed that the sheer volume of information required would make it difficult for individuals under review to learn enough answers by rote.

However, the attestation commission decided to make the tests very short, only 35 questions, and to make only those questions—with their multiple-choice possible answers—public. Neither the Minister, who was then suspended as a result of the government crisis, nor the RAPA project's chief of party were informed of this procedural change. (Although the chief of party is responsible for this lapse, the RAPA project attorney who had been hired, at the recommendation of the Minister, as a particularly competent specialist in personnel reviews, specifically to handle the technical aspects of the review was terminated for failing to keep the project informed of events.)

One hundred nineteen employees of the Ministry of Agriculture and Food Central Apparatus sat a written personnel review test on December 17, 2001. Three civil servants resigned at the time they were notified of the review, and eleven employees were not tested for convincing reasons.

Everyone who took the exam passed, with the lowest score 26 out of 35. The attestation commission confirmed the results at the end of the year.

This result was obviously not quite what was intended. Although it affects only the central apparatus employees, a small percentage of the total in the Ministry, it sets an unfortunate precedent. Since the central apparatus, while not particularly corrupt, included considerable deadwood, the attestation's results make the task of restructuring more difficult.

As a result of the attestation, the Minister has reorganized the Attestation Commission, appointing Deputy Minister Giorgi Tkeshelashvili as chairman. The Commission charter is being redrafted, and will not be confirmed without agreement of the RAPA project. The project chief of party will attend all future attestation commission meetings, though without a vote. This somewhat increases the exposure of the project to claims that the foreign advisors were determining the process, but it seems the minimum needed to prevent a recurrence of the problems with the central apparatus attestation.

Budget and Accounting

Systematic planning of expenditures and accounting for funds is a basic need in any organization. The MAF, like all government agencies in post-Soviet societies, has had to develop a system of budgeting almost from scratch. Given Georgia's fiscal problems and cash-based treasury system, the need for and advantages of a systematic budgeting system have not always been obvious. Yet the lack of a systematic budgeting function has not only made real planning of work impossible, it has also contributed greatly to opportunities for corruption. As the project's initial diagnosis of the MAF indicated, therefore, work to put in a place a serious, usable budgeting system was and remains essential for any real restructuring of the Ministry. However, when the project began the European Commission, which supports most Ministry expenditure through its Food Security Program, had work to develop a real budgeting system well under way, and so the phase II project work plan indicated that budget work would most probably be left to the EC technical assistance staff.

Since the work plan was developed, however, the EC has closed its technical assistance effort in the MAF. A short-term TACIS project intended to develop the FSP work has, unfortunately, failed to realize its potential, and as a result the MAF reverted to preparing its 2002 budget as it always has.

In order that the gains made by the FSP should not be permanently lost and because of the centrality of budgetary reform to any restructuring, USAID agreed to the project's request to hire the FSP local staff to continue and develop work on the MAF budget. They joined the RAPA project in October-November 2001. Since then, Ms. Sophie Kemkhadze and Mr. Jeko Mchledishvili have made up most of the lost ground, reworking the Ministry 2002 budget into a comprehensible form and proceeding with work to make permanent the new budgeting procedures and to accurately reflect more of the flows of funds through the Ministry's subordinate departments in the central budget.

During this quarter, these project staff members have continued to develop a result-oriented budget format for the MAF (including budgets for targeted programs) and improve budgeting procedures. In consultation with the Deputy Minister for financial matters of the MAF, the project also evaluated several locally produced software packages, available in Georgian and compatible with the standards for bookkeeping and accounting required by the Ministry of Finance, in order to install a standard software package to handle budgeting and accounting functions in the MAF. This would not primarily make a technical change; rather it would make possible and necessary, for the first time, a real linkage between the MAF's expenditure plans and its actual disbursements.

During the quarter, Mr. Otar Chigladze has continued his work reviewing and correcting many of the Ministry Bookkeeping office's current accounts. He has also provided essential consulting and support to the Ministry bookkeepers. In combination with the work to clarify and eventually mechanize the budget, this lays the groundwork for a more accurate and more transparent system of budgeting and accounting in the MAF. It is anticipated that during the third reporting quarter a pilot system will be installed and operating to enable Ministry Management to better manage their finances.

Ministry-managed joint-stock companies

As has been noted in previous reports, the Ministry has management rights over many state owned "limited-liability companies" and "joint-stock companies." These entities, generally formed from structural units of the Ministry, have mostly in practice been either polite fictions with no real activity or, as in the case of the Ltd "State Regulatory Board" which handles the country's grain supplies before its management was changed with project support in the spring of 2001, devices for stripping assets from the ministry and national budget in favor of the few individuals who control the particular company. The project work plan provided that all of these entities were to be examined and disposed of, either by liquidation, privatization, or in some cases such as the Ltd formed from the Ministry archives, reabsorbed into the MAF.²

In addition to examining accounts and summarizing the work of all these ministry-managed companies for 2001, two entities were privatized with project assistance during the quarter. During the quarter the World-Bank financed RAE group also began a case-by-case examination of the physical assets, accounts and legal status of all the existing ministry-managed state-owned corporations. The MAF has set a deadline for determining the fate of all these entities of April 1, 2002.

Reorganization of Inspections

The MAF includes a variety of "inspections" and testing services dealing with equipment, animal health, food standards, grapes and wine, mineral water, agricultural products and flour, food products, irrigation and land reclamation, seed, plant selection and phytosanitary issues. Some of these agencies were created within the last few years, apparently largely to give employment to senior agricultural specialists. Since the present Minister was appointed, in fact, local food inspections in Georgia's major cities have been abolished, and several inspectorates have been combined (Annex 3, Annex 4).

At the beginning of January, the Minister requested specific advice on both how to streamline these organizations by combining and redefining them and on what international best practice is regarding the division of labor between various government agencies with an interest in the setting and enforcement of agricultural and food grades and standards. In response to this request, a survey of world practice based on OECD materials was prepared for the Ministry by Alexander Didebulidze and Giorgi Dangadze. A shorter English-language memo developing the chief of party's views was also given to the Minister. These materials were passed by the Minister to the head of the recently reorganized Service of Monitoring and Analysis of Food Products, which had been restructured in order to eliminate the previous agency's licensing functions. These conversations are continuing. Work to rationalize and redefine the activities of the various inspections is one obvious place where the project's policy-analysis and restructuring mandates reinforce one another, since without information

² The MAF is not unique in being surrounded by this cloud of parastatals that have never been fully dealt with. For instance, appendix one of a decree of the Ministry of State Property and the Ministry of Fuel and Energy of August 17, 2000, lists some 126 similar entities in that sector.

on what is being done elsewhere, and without thought about the general issues of grades, standards and inspections (work which was explicitly approved as an addition to the workplan by the CTO during the quarter) reorganization would be pointless.

Audit of Phytosanitary Quarantine Inspection

As noted in the last quarterly report, the project has been supporting the work of a newly-organized Internal Control Department in the Ministry. This department has worked well enough that the Ministry has submitted a budget (developed by project staff at the Ministry's request) for a "special program" of Georgian-government funding for it to the Ministry of Finance for 2003. This request would maintain the department at a lower level than currently, but it indicates the serious desire of the Ministry leadership for a permanent internal audit unit. During the quarter, the principal activity of this unit was cooperation with a Chamber of Control Audit of the Phytosanitary Quarantine Inspection (PSQI). The PSQI has been generally reputed to be the worst-managed and most-corrupt unit in the Ministry system.

During the quarter a large-scale audit of the PSQI was completed. The version originally drafted by MAF, Chamber of Control and project staff was considerably softened by the management of the Chamber of Control before being officially transmitted to the management of the MAF and the head of the PSQI. (An English translation of the audit report, showing changes between the two versions, has been delivered to USAID Tbilisi.) However, the contents of the audit, in conjunction with a formal reprimand issued by the Ministry management following physical threats against a project staff member by the PSQI head in the presence of other members of the auditing team, served as the legal basis for ordering the removal of the PSQI's head. This gentleman, who had held his office since 1983, was formally removed on February 25, 2002. He has brought suit against the MAF for violation of the Administrative Code of Georgia in ordering his removal, but it is the opinion of MAF and project lawyers that his complaint is groundless. In what may be a continuation of a pattern of attempted intimidation of the auditors and the Ministry management, several shots were fired into the façade of the main MAF building on Kostava Street in Tbilisi the night the PSQI head was formally removed at a tense meeting of the Inspection's staff.

The Minister immediately appointed Levan Kanchaveli, whom he described as perhaps Georgia's best phytosanitary specialist, to replace the former PSQI head. The deputy heads of the inspection have also been replaced. The MAF intends to carry out a full review of all personnel, and a commission to design a reorganization plan for the Inspection is in the process of being established. However, the records and accounts of the Inspection are in absolute disorder, and there is reason to think that the personnel files of every PSQI employee should be checked for falsifications even before a formal personnel review should be attempted. At the end of February, 2002, two project staff members supporting the Internal Control Department have been assigned to this clean-up on a full-time basis.

Local MAF assets and regional agricultural administrations

In February, 2002, the World Bank RAE staff began a complete inventory of MAF assets and organizations, checking the existing situation against pre-1991 records of MAF holdings

The RAE staff have also begun an examination of the legal situation and subordination of regional agricultural administrations. Regional agricultural administrations are financed by regional governments, and the national Ministry's influence over them appears formally limited to the power to confirm administration heads nominated by local officials. If this

statement of the position is correct, the MAF has little control over “its” subordinate units, and reforming local agricultural administration may require considerable legislative work.

Legal and Auditing Advice to Ministry

During the quarter, MAF project staff attorneys Eka Otarashvili and Mamuka Matiashvili completed work on a legal opinion synthesizing the facts of and recommending courses of action to resolve a tangle of legal issues arising from the MAF’s “Counterpart Fund.”

The Counterpart Fund is a “special account” that was opened by the Ministry of Finance to receive proceeds from commodities monetized under European Union assistance programs. These monies were then to be used to provide loans for specific agricultural development purposes. It was anticipated by the project’s designers that the funds would turn over several times. However, former Minister of Agriculture Gulua unilaterally changed the terms of disbursement from the Counterpart Fund and issued many loans and grants on his own authority. It appears that in some cases his written orders were not formally registered by the Ministry, and many of those orders appear to have violated the spirit, if not the letter, of Georgia’s Memorandum of Understanding with the European Union on the Counterpart Fund. Although a board of senior Ministry officials was supposed to decide on loan recipients, and individual senior Ministry managers were assigned to “control” each loan or grant, in fact there appears to have been no effective oversight of the disbursements. Eventually, the European Union closed the program, using remaining funds from commodity monetization and some amounts repaid from the Georgian treasury to capitalize the TACIS-supported Agrobusiness Bank of Georgia. Reportedly, a number of other Georgian banks were caught in the backwash of these deals and some eventually failed as a result of this affair.

Some 11 million GEL supposedly in the Counterpart Fund were unaccounted for as of mid-2000. (The MAF annual budget is approximately 16 million GEL.) The Ministry of Finance continues to consider that these funds are available to the MAF, the Chamber of Control has investigated the matter and issued sanctions against the MAF, and there were by then a tangle of legal matters surrounding many of the loans and grants. Therefore, the MAF urgently requested that the project provide skilled legal and auditing assistance to unravel this tangle of problems. The legal opinion just completed is the result. Many matters related to the Counterpart Fund have been resolved, the MAF now has reasonable knowledge of those affairs, and the MAF legal staff and Deputy Minister of Agriculture and Food for finance are proceeding to deal with the remainder.

During the quarter the World Bank financed “Risk Assessment Exercise” began full operation. The RAE was designed by the Bank, the MAF and RAPA staff to deal specifically with similar problems of mal- and misfeasance inherited from the MAF’s previous management, as well as to take a full inventory of MAF assets and subordinate agencies. Mamuka Matiashvili and Otar Chigladze met intensively with the RAE staff during much of December and project financial specialist Vazha Tabatadze was assigned to work full time with the group. Although project staff continue to work on issues overlapping with the RAE’s specific concerns, the operation of this group has freed the RAPA staff from much of the “damage control,” such as the Counterpart Fund, with which they, and the present Ministry management were dealing at the beginning of the project. For instance, the full inventory of Ministry subordinate units and condition of their assets identified as a RAPA deliverable in the May, 2000 plan of work is being prepared by the World Bank funded RAE.

During the quarter the project also continued legal analysis and legal drafting assistance. For instance, Mamuka Matiashvili examined amendments to the Georgian law “On Veterinary Medicine” designed to reduce the autonomy of the Veterinary Department, a needed preliminary to its reform. Giorgi Dangadze continued work on the Law on Organic Agricultural Production which would among other things set standards for “organic” produce in Georgia. Giorgi Misheladze did legal work to support the Internal Control Department, while Giorgi Managadze continued to assemble documents relating to the Ministry’s tangled legal affairs as well as other legal research for the project management.

Cooperation with Other Donors

During the quarter the European Commission ended its technical assistance to the MAF, although the EC reportedly plans to renew its efforts later in 2002. As already noted, during the quarter the World Bank funded RAE, came into full operation. Regrettably, in February 2002 the World Bank formally informed the Minister that the Bank had decided not to provide an Institutional Development Funds grant to support the development of policy analysis work in the MAF. The grant request was originally developed at the urging of Bank staff in late 2000, and Bank staff repeatedly assured the Minister that the funds would be forthcoming. The loss of those funds makes the task of developing a real capacity to analyze public policy issues of general concern to the agricultural sector more difficult.

Policy Advice and Analysis

Policy advice and analysis involves two activities: the development of systematic knowledge about public policy issues, and the provision of advice, often on an urgent basis, on particular matters. While the advice function is very difficult to plan in advance, it is essential for the credibility of any effort to assist public officials and build institutional capacity, since it responds to the recipients’ immediate needs. A sense of this ad hoc advice can be gotten by an examination of the papers and translations produced by the project during the quarter (Annex 5 and Annex 6).

The following items report the status of each longer-term analysis activity anticipated in the workplan as of February 28, 2002. Numbers are as in the workplan.

1.2.1. Comparative Study of Agricultural Ministry structure and functions

This study was completed by the DAI home office and delivered to the CTO in electronic form in mid-January, 2002. A Georgian-language synopsis is being prepared and will be delivered to USAID by March 30, 2002. Depending on the reception of that synopsis in the Ministry and the decision of the CTO, a full Georgian-language translation may be prepared.

1.2.2. Comparative study of agricultural taxation in Georgia and other transition economies

Inception of this study was delayed as a result of the contractual and funding uncertainty between phase I and phase II. It is proposed that this study be deleted from the work plan, although some work on agricultural taxes will likely continue to be done on an ad hoc basis.

1.2.3. Finalize MAF Food Security Strategy

This work has led into another document, prepared at the Minister’s request, which seeks to answer specific questions he posed about a medium-term strategy for agricultural development. It has also led to fruitful discussions with the Ministry staff members assigned to develop the agricultural sections of Georgia’s Poverty Reduction and Economic Growth Program with the IMF and World Bank.

II.2.1. Briefing paper on agricultural situation in Georgia

Drafted in June 2001 and distributed in preliminary form but not then completed as the chief of party was absent for most of that month on unpaid leave pending the completion of phase II contract. An updated version has been requested by the Minister of Agriculture and Food at the end of the quarter under review.

II.2.2. Baseline survey

Due to closure of OSC Public Education Project and press of other work, this study is still being discussed.

II.2.3. Georgia's agricultural-related WTO obligations

Partly at the suggestion of the project, the MAF established a commission to investigate and clarify these obligations in January, 2002. Sandro Didebulidze has assembled a considerable archive of materials on the subject, and Rati Shavgulidze is writing an overview of these obligations.

During the quarter, preliminary discussions have been held with the Ministry about holding a day-long seminar on Georgia's agricultural-related WTO obligations for the Ministry and perhaps the broader public. This activity will be fully designed during the next quarter.

II.2.4. Grain market and price chain

Analysis of grain stocks completed in Georgian, translation needs editing and revision. Analysis of price changes on Tbilisi grain exchange completed in English, awaiting editing.

It is requested that item 2, a fuller study of price relations in the marketing chain, and item 3, of capacity and capacity utilization in the marketing chain, be dropped from the work plan.

II.2.5. Water policy

No specific activity was proposed under this rubric in the plan of work, and no specific activity was undertaken on these important issues during the quarter.

II.2.6. Land policy

No specific activity was proposed under this rubric in the plan of work, and no systematic activity was undertaken on this subject during the quarter. The project is cooperating with the Terra Institute/APLR land project, and, at the request of USAID Caucasus, will fund travel by the Minister of Agriculture to an AID-sponsored conference in Budapest in April.

II.2.7. Extension

A request to delete this activity from the work plan is pending with the project CTO.

II.2.8. Commodity market analysis

Due to loss of anticipated World Bank co-funding for policy analysis activity, no staff time for systematic conduct of this activity has been available. This is a very important activity to develop the Ministry's research capability, but beyond the resources of the project during phase II. Therefore a request to delete this activity from the work plan is pending with the project CTO.

II.2.9. Systematic collection, dissemination of previous donor-funded studies

Continuing. A catalog of these materials has been prepared in the project's TAMIS management-information system.

II.2.10. Legal monitoring, drafting assistance

Regular lists and brief descriptions of all MAF orders and national legislation/decrees relevant to the sector are prepared.

II.2.11. Food quality, standards and safety

This activity was added to the work plan with the CTO's approval during the quarter. As noted above, two memoranda on the issue of organization of food safety were prepared and given to the Minister during the quarter.

Information and Outreach

During the quarter the project continued to prepare a daily Georgian-language survey of press coverage of agriculture-related issues. This bulletin is distributed widely within the Ministry, and an unedited English translation is also available. The project has accumulated a good deal of other policy work, and how and how much to complete and distribute this work is an issue which needs attention from the project management.

Registration of Development Alternatives, Inc., in Georgia

DAI registered a representative office in Georgia on December 10, 2001. The firm is now a legal entity in Georgia, able to make bank transfers and carry out other activities. This allows the firm to withhold employee taxes and remit them to the Ministry of Tax Revenues as well as to claim VAT exemption and other benefits promised to technical assistance projects under the US-Georgia bilateral agreement.

Budget revision

At the request of the Regional Contracts Office, a budget revision was completed by the chief of party and the contractor in January-February 2002. Although the overall total committed to the project remains fixed and the summary budget lines changed little, the exercise created a budget that much better reflects actual spending patterns (much less expatriate labor, much more local labor) and also permits much closer tracking of project spending (which had been difficult because of the phased budgets for the effort). As of the end of the quarter, this revised budget is being prepared for submission to the RCO by the DAI home office in Maryland.

Outstanding issues

Personnel reviews

The results of the personnel review in the MAF Central Apparatus were not particularly satisfactory. The scores obtained indicated that the test was not serious, and the testing was not linked to serious interviewing or other procedures to review personnel quality. Changes in the structure of the competition-attestation commission and other measures outlined above are intended to address these problems. Since this review involved only a few of the Ministry's total staff, and individual problems in the staff can be dealt with on a case-by-case basis, these results are unfortunate but not disastrous.

However, at a deeper level it may be asked whether or not a personnel review, which is generally designed to weed out some "dead wood" but mostly as a mechanism for staff development, is really the appropriate procedure to use when dealing with the need to replace a significant percentage of a unit's staff. The alternatives, however, may be worse unless the whole unit can be disbanded and reformed. The MAF has been unwilling to consider that alternative because it is afraid of losing the positions given the great budgetary pressure on the government. Another alternative, being undertaken in the Phytosanitary Quarantine Inspection, is to examine each employee's personnel record individually looking for false

entries. But this is a very labor-intensive approach and so undesirable in most of the Ministry.

The project, and USAID, have several times suggested to the Minister and ministry management that the simplest and surest way to deal with deeply problematic units such as the PSQI would simply be to disband and reform them. Since in this case the Ministry is planning to reunite the PSQI with the Plant Protection Service, such a procedure would seem needed in any case. The question of how to proceed to clean up that particular inspectorate now that the leadership has been changed should be discussed in much more depth.

Work plan changes

At the beginning of March, the project submitted to the CTO a request for some changes in the workplan reflecting changes in the situation of the project and the Ministry since the work plan was written in April-May 2001. Some of the changes systematically requested in that memo had already been approved by the CTO on an ad hoc basis and most of the others are logical consequences of work already approved.

Transfer of property from the Georgia Enterprise Support Project

The most significant work plan change requested explicit approval for expenditures to complete installation of a computer network in the MAF. This network is being constructed from the equipment USAID transferred to the RAPA project for the MAF from the Georgia Enterprise Support Project. Much of the equipment received was poorly configured for use (minimum memory, broken keyboards, etc) and, except for MS-Exchange server, there was no software or software licenses. To make these items individually operational, secure them in the Ministry, and ensure that they can be used without almost immediately being destroyed by voltage fluctuations and power outages has required and continues to require significant expenditures (the present best estimate is that all of this work, including original costs of accepting the equipment, is about \$25,000). Since it would be unreasonable to accept inventory worth more than \$125,000 and not ensure that it can be fruitfully used by the recipients, the project has been making needed expenditures. However, this activity was clearly unforeseen—and unforeseeable—in the original workplan.

Project Security

Security remains a concern for the project and project staff. Over and above the generally poor physical security in Georgia generally and the MAF specifically, the former head of the Phytosanitary Quarantine Inspection made a number of threats during the audit of his department. Several shots were fired at the MAF main building on the night he was removed. However, the project has hired guards for its own office and chief of party, and these measures appear both to be about all that is feasible and all that should be needed.

Planned activities for next quarter

During Phase I of the RAPA, the project staff were, according to the Ministry, of great assistance in ensuring a change in the management of Ltd. “State Regulatory Board,” the government grain-handling agency. Minister Kirvalidze has recently described that change, and the ejection of the entrenched leadership of the Phytosanitary Quarantine Inspection, as the “twin Kazbegis” of corruption and management problems in the Ministry. He has also stated that President Shevardnadze thanked him personally and specifically for eliminating the PSQI management problem.

Given this emphasis from the MAF, and the amount of political capital invested by the Ministry in shaking up the PSQI, it is clear that the principal focus of the project during the next quarter must be continued support of the restructuring of that department. In many ways, making the department—whether independently or as a component part of the Plant Protection Department or other general Inspection Service—work will be at least as difficult, and likely more time-consuming, than simply changing its leadership.

The Ministry has established a commission to begin the process of reorganization within the Veterinary Department. The PSQI is responsible for the safety and quality of plant materials imported and exported. The Veterinary Department has similar functions for animals and animal products, as well as being responsible for inspections in the city markets. Given the plethora of inspection agencies within the MAF even after the first round of their elimination and combination, it is reasonable to make work to rationalize the inspectorates a general priority. The Minister repeatedly indicated during the December-February period that he did intend to make this streamlining his priority. So logic and the desires of the project's Georgian counterparts both suggest that the general focus of the project for the next quarter should be issues of market regulation agencies, grades and standards, and elimination of duplicative and corruption-inducing regulations, procedures and agencies.

Pressure to meet the national budget, and the positive results to date of audits supported by the project also make urgent the issue of how to improve procedures for tracking, accounting, and allocating the “special funds” and “special programs” in the Ministry. This work will take more than three months to complete, but it is critical not only to improve management and eliminate sources of corruption, but also as the only realistic possible source of additional funding in order to increase the salaries of key personnel in the MAF. Given Georgian-government standard wage rates, in which a Minister officially earns less than US\$75 per month, it is clear that some source of additional funding for key salaries must be found if competent, honest, people are to be attracted and retained in government service.

The Ministry continues to have difficulties in tracking and inventorying its documents, as the mess in the Phytosanitary Quarantine Inspection indicates. During the quarter the project will investigate the possibilities of creating a simple database of Ministerial orders in order to make them more accessible to all staff. The project is also working to improve information flows within the Ministry, and now, following the central apparatus attestation, the issue of how to keep all employees better informed of what is happening in their own workplace should be tackled. The project will examine possibilities for improving the internal flow of information in the Ministry and make proposals to the CTO on how to improve information flows and staff efficiency.

The backlog of project analytical materials, pointed as a matter of concern in the last quarterly report, remains and has, if anything, grown. The revised project budget includes money for two additional translators and a statistical assistant, and those positions will be filled as quickly as possible.

Agriculture is one of the most important branches of the Georgian economy—given the number of people working in it and the country's present impoverished state, perhaps the most important branch. Without competent government, improvement in the agricultural sector will be much more difficult, perhaps impossible. The MAF, like all post-Soviet ministries, probably impeded rather than assisted the sector during most of the last decade. However, with the assistance of the RAPA project and other donors, the Ministry has begun

to clean itself up. Very substantial tasks remain, and without finding additional funding to increase salaries for key personnel the improvements are unlikely to be sustainable, but real progress is now beginning to be made.

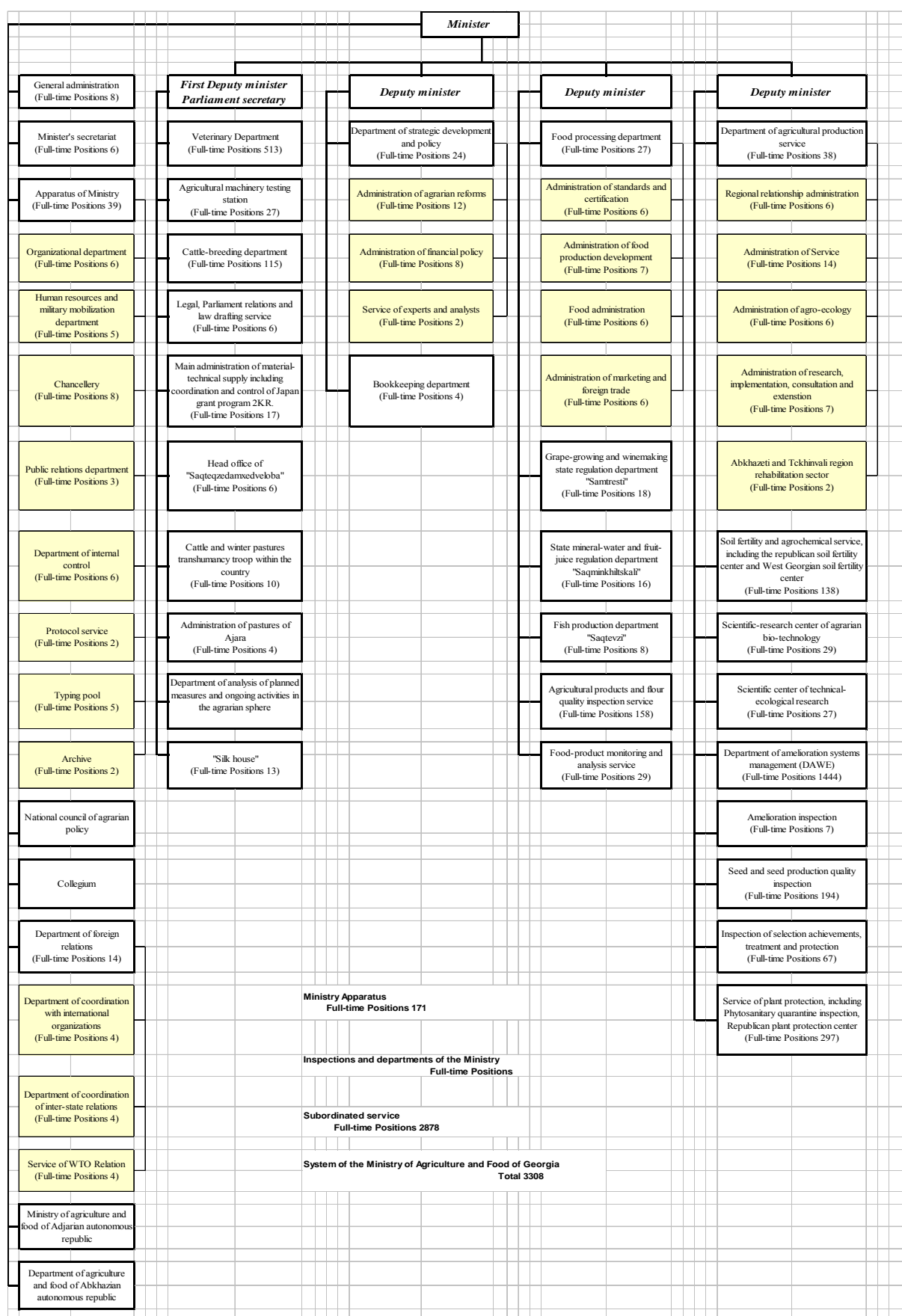
Annex 1. Project Staff as of February 28, 2002

Don	Van Atta	chief of party
Otar	Chigladze	financial analyst
Giorgi	Dangadze	staff attorney
Sandro	Didebulidze	senior policy analyst
Akaki	Gikoshvili	staff attorney (personnel)
Irakli	Inashvili	financial analyst (internal control department)
Sophie	Kemkhadze	financial analyst (RCO approval pending)
Levan	Khundadze	financial analyst (internal control department)
Bidzina	Korakhashvili	senior policy analyst
Giga	Kurdovanidze	outreach coordinator
Mamuka	Matiashvili	senior staff attorney
Jemal	Mchedlishvili	policy analyst (RCO approval pending)
Giorgi	Misheladze	staff attorney (internal control department)
Rati	Shavgulidze	policy analyst
Vazha	Tabatadze	financial analyst (RCO approval pending)
Rusudan	Arveladze	translator
Maka	Babunashvili	press analyst
Lisa	Basishvili	translator
David	Beridze	driver
Vasili	Bibiluri	computer systems administrator
Natia	Gabelia	translator
Giorgi	Managadze	translator/legal researcher
Lika	Margania	lead translator
Keti	Shengelia	administrative assistant
Tinatin	Tivadze	office manager

Annex 2. Summary of Work Plan Status as of February 28, 2002

1. Resolve existing issues		
II.1	Risk Assessment Exercise	Review of "Counterpart Fund" completed. World Bank RAE began operations in December 2001.
2. Policy Analysis		
I.2.1	comparative study of agricultural ministries	Completed except for translation
I.2.2	comparative study of agricultural taxation	Not yet begun; will request that this item be dropped from work plan
I.2.3	MAF [Food Security] strategy	Completed except for editing of English translation
II.2.1	briefing paper on agriculture in Georgia	To be edited and updated
II.2.2	Baseline study	Not yet begun
II.2.3	Georgia's agricultural related WTO obligations	Paper completed, pending editing
II.2.4	Grain market and price chain	Item 1 completed pending editing; will request that sub-items 2 and 3 be dropped
II.2.5	Water policy	Coordination item only; no specific activity proposed or undertaken
II.2.6	Land policy	Coordination item only; no specific activity beyond coordination with Terra/APLR and participation in Budapest seminar
II.2.7	extension	Not yet begun; will request that this item be dropped from work plan because of revitalization of the World Bank ARET project
II.2.8	commodity market analysis	Work on grain market completed; will request that other work be dropped from this work plan
II.2.9	collection of previous studies	continuing
II.2.10	legal monitoring and drafting assistance	continuing
II.2.11	Food quality, standards and safety	Approved as addition to workplan by CTO on January 18, 2002. Continuing.
3. Ministry Restructuring		
II.3.1	Central apparatus	continuing
II.3.2	Ltd "State Regulatory Board	completed
II.3.3	Other Ministry-managed Ltds	continuing
II.3.4	State-subordinated Departments	continuing
II.3.5	Local MAF assets	Being inventoried and assessed by World Bank RAE
II.3.6	regional agricultural administrations	Not yet begun by project; World Bank RAE currently examining legal basis of these units
4. Statistics and GIS		
II.4.1.	Statistics	continuing
5. Other activities		
II.5.1	Activity coordination	continuing
II.5.2.	MAF website	Not yet begun
II.5.3	Registration of DAI in Georgia	completed

Annex 3. MAF organization chart as of February 28, 2002



Annex 4. Changes in the Charter of the MAF since its adoption in 1997

Date	Document type	Number	Title	Effect
November 17, 1997	Presidential decree	670	On approval of the Charter of the Ministry of Agriculture and Food of Georgia	approves new charter for MAF
October 1, 1998	Presidential decree	544	On rehabilitation of local veterinary-medicine operations	changes status of Veterinary Department
October 25, 1998	Presidential decree	607	On the establishment of the coordination center of Sericulture “Silk house”	establishes “Silk House” as a department of the Ministry
November 1, 1999	Presidential decree	609	On amendments to the decree of President of Georgia number 670 of November 17, 1997 “About approval of the Charter of Ministry of Agriculture and Food of Georgia.”	increases the number of deputy ministers
March 23, 2001	Presidential decree	109	On amendments to the decree of President of Georgia number 670 of November 17, 1997 “About approval of the Charter of Ministry of Agriculture and Food of Georgia.”	combines “State Inspection of agriculture product quality” and “State inspection of bread and grain product quality” into single “Inspection of Agricultural Product and Flour Quality”
May 20, 2001	Presidential decree	203	On amendments to the decree of the President of Georgia number 670 of November 17, 1997 “On approval of the Charter of the Ministry of Agriculture and Food of Georgia”	changes the structure of the apparatus of the Ministry
June 25, 2001	Presidential decree	252	On amendments in the Charter of the Ministry of Agriculture and Food of Georgia approved by Presidential decree number 670 of November 17, 1997	renames “Department of Amelioration and Water Economy” “Department of Management of Amelioration Systems”

September 20, 2001	Presidential decree	381	On amendments to the decree of the President of Georgia number 670 of November 17, 1997 “On approval of the Charter of the Ministry of Agriculture and Food of Georgia”	changes the “Service of licensing food product production” into the “Service of analysis and monitoring of food products”
October 8, 2001	Presidential decree	399	On amendments to the decree of the President of Georgia number 670 of November 17, 1997 “On approval of the Charter of the Ministry of Agriculture and Food of Georgia”	abolishes the Food Products Licensing Services of Tbilisi, Kutaisi, Rustavi and Poti, and eliminates 22 full-time staff positions.
November 30, 2001	Ministerial order	2-196	On approval of Charters for structural units of the Central Apparatus of the Ministry	approves charters for: <ul style="list-style-type: none"> • Ministry secretariat • Ministry apparatus • Bookkeeping administration • Legal, parliament relations and law-drafting service • Foreign relations department • Department of agricultural production services • Department of strategic development and policy • Department of food and processing industry
January 18, 2002	Ministerial order	2-10	On approval of the charter of the food products analysis and monitoring service of MAF	Approves charter of this unit (deemphasizes licensing function of predecessor agency)

Project staff drafted or commented on all of these documents issued since the project began in February 2001

Annex 5. Project Papers prepared during the Quarter

Date	Series	Title	Author(s)	Language(s)
1/10/2002	Audit Report	Specific differences between draft and final Chamber of Control report on Phytosanitary Quarantine Inspection	Khundadze, Levan; Inashvili, Irakli; Misheladze, Giorgi	Georgian, English
1/24/2002	Audit Report	Report on Phytosanitary Quarantine Inspection audit	Khundadze, Levan; Inashvili, Irakli; Misheladze, Giorgi, et al.	English
2/22/2002	Budget	Special program for internal control department, 2002	Khemkhadze, Sophie	Georgian
12/4/2001	Draft Law or Regulation	Order of MAF number 2-197 About approval of the Competition attestation program of the public employees of Ministry Central apparatus	Gikoshvili, Akaki	Georgian
12/14/2001	Draft Law or Regulation	Order of MAF number 2-199 About grading of the employees of Ministry Central apparatus	Gikoshvili, Akaki	
2/1/2002	Draft Law or Regulation	Draft Presidential Decree on Kirvalidze trip to Germany and Italy (FAO consultations)	Shengelia, Ket	Georgian
2/12/2002	Draft Law or Regulation	MAF order 18m on examination of bee-keeping enterprises	Misheladze, Giorgi	Georgian, English
2/14/2002	Draft Law or Regulation	Final version of the draft-law "About implementation of biological agro-production and certification."	Dangadze, Giorgi; M.Gelashvili; M.Matiashvili	Georgian
2/15/2002	Draft Law or Regulation	[Draft] charter of MAF Attestation and Competition Commission	Gikoshvili, Akaki	English
2/25/2002	Draft Law or Regulation	MAF order 15k On relieving Robert Gurchiani of his current position	Misheladze, Giorgi	Georgian, English
12/20/2001	Legal Monitoring Report	November Orders	Dangadze, Giorgi	English
1/4/2002	Legal Monitoring Report	List of current legislation on Georgian grades and standards	Dangadze, Giorgi	English
1/18/2002	Legal Monitoring Report	Supreme court data concerning the number of convicted persons according to the article 197 (adulterate) and article 214 (smuggling) of criminal code of Georgia in 2000 and 2001 years	Dangadze, Giorgi	Georgian

1/22/2002	Legal Monitoring Report	December Orders of MAF	Dangadze, Giorgi	English
2/1/2002	Legal Monitoring Report	Summary of anti-corruption commission conclusions on MAF "special funds"	Dangadze, Giorgi	English
2/8/2002	Legal Monitoring Report	List of normative documents about charters of Ministry of Agriculture and Food of Georgia and its sub-divisions	Dangadze, Giorgi	English
2/18/2002	Legal Monitoring Report	List of MAF Orders in January and February 2002	Dangadze, Giorgi	English
2/20/2002	Legal Monitoring Report	MAF Orders of January and February (Till 12-th February) 2002	Dangadze, Giorgi	Georgian
2/21/2002	Legal Monitoring Report	On the Georgian law ``About Chamber of Control of Georgia’’	Matiashvili, Mamuka	Georgian, English
2/25/2002	Legal Monitoring Report	Reflection of project comments in new MAF Central Apparatus charters	Dangadze, Giorgi	English
2/27/2002	Legal Monitoring Report	MAF order number 2-1 of January 3, 2002 about measures in order to carry out Georgian Presidential Decree number 113 of March 26, 2001 "About conducting the relationship of Georgia as a plenipotentiary member of The WTO’’	Dangadze, Giorgi	English
12/14/2001	Legal Opinion	Opinion on the legal condition of Presidential decree number 252 of 1996.	Matiashvili, Mamuka	Georgian
12/21/2001	Legal Opinion	Response to comments and suggestions from the Ministry of Labor, Health and Social Security and Ministry of Economy, trade and Industry concerning the draft law "About implementation of biological agroproduction and Certification."	Dangadze, Giorgi	Georgian
12/29/2001	Legal Opinion	Work on partnership fund	Matiashvili, Mamuka.	Georgian
1/8/2002	Legal Opinion	On attestation	Matiashvili, Mamuka	Georgian, English
1/9/2002	Legal Opinion	On the authority of the Chamber of Control and its relation to the Internal Control Department of the MAF	Otarashvili, Eka	English

1/16/2002	Legal Opinion	EU practice in certifying organic food products	Dangadze, Giorgi	Georgian
2/4/2002	Legal Opinion	Legal Opinion on Competition-Attestation Commission	Matiashvili, Mamuka	Georgian
2/13/2002	Legal Opinion	Issues concerning J.S.C. "Kakheti Puri"	Matiashvili, Mamuka	Georgian, English
2/14/2002	Legal Opinion	Time-table of Comments and suggestions from the various Georgian governmental agencies concerning the draft-law "About implementation of biological agro-production and Certification."	Dangadze, Giorgi	Georgian
2/21/2002	Legal Opinion	Legal opinion and monitoring about issues concerning special revenues	Matiashvili, Mamuka	Georgian
2/26/2002	Legal Opinion	Proposal for amendments and addendums to the charters of departments representing MAF constituents and MAF order number 2-196 of November 30, 2001. "About the approval of charters of Ministry Central apparatus structural subunits."	Dangadze, Giorgi	English
2/26/2002	Legal Opinion	Legal opinion about Georgian law "On Georgian national development agency"	Matiashvili, Mamuka	Georgian
1/18/2002	Letter	Introduction: About the importance of Organic Farming promotion in Georgia	Dangadze, Giorgi	Georgian
1/19/2002	Letter	Letter to the Ministry of Economy, Industry and trade of Georgia concerning the draft-law about implementation of Biological agricultural production and certification.	Dangadze, Giorgi	Georgian
1/21/2002	Letter	Letter to Minister on Personnel Policy	Van Atta, Don	English
1/25/2002	Letter	Request to accelerate execution of court decision about J.S.C. "Sakagroservisi"	Matiashvili, Mamuka	Georgian
1/31/2002	Letter	Comments on draft RAE work plan	Van Atta, Don	English
2/7/2002	Letter	Letter to the Ministry of Finance concerning custom issues	Matiashvili, Mamuka	Georgian
2/14/2002	Letter	Letter to the Parliament secretary of President of Georgia Mrs. Mariam Tsatsanashvili	Dangadze, Giorgi	Georgian
2/20/2002	Letter	Explanatory note to the draft-law "About implementation of biological agro-production and Certification"	Dangadze, Giorgi	Georgian
2/20/2002	Letter	Report to Deputy Minister of Agriculture and Food of Georgia D. Shervashidze concerning the work on the draft-law "About implementation of biological agricultural production and certification"	Dangadze, Giorgi	Georgian
2/23/2002	Letter	Letter to Georgian National Bank	Matiashvili, Mamuka	Georgian
12/21/2001	Other	Initial report on results of attestation	Gikoshvili, Akaki	English

1/4/2002	Other	Results of Central Apparatus Attestation	Shengelia, Ket	Georgian, English
1/18/2002	Other	MAF website	Kurdovanidze, Giga	English
1/18/2002	Other	MAF order 2-10, On ratification of charter of MAF food monitoring and commodity analysis service	Misheladze, Giorgi et al.	Georgian, English
1/23/2002	Other	Request for execution of court decision about Ltd "Elza"	Matiashvili, Mamuka	Georgian
2/1/2002	Other	Proposals and comments on the Laws on Veterinary, Foodstuff and Tobacco	Dangadze, Giorgi, Matiashvili, Mamuka	
2/7/2002	Other	Proposals and comments on Georgian Law on Standardization	Dangadze, Giorgi	English
2/8/2002	Other	Contract between DAI and Guard service	Matiashvili, Mamuka	Georgian
2/25/2002	Other	List of commissions of which Minister is a member or chairman	Shengelia, Ket	Georgian, English
12/3/2001	Policy Study	Tomato Grower Tax Burden Simulation Model	Shavgulidze, Rati.	English
12/3/2001	Policy Study	US Wheat Grain Price and Disposition Analysis submitted to USDA	Shavgulidze, Rati	English
12/12/2001	Policy Study	Overview of the workshop about drafts of law-subordinated normative acts, which are based on the "Georgian Law about vine and wine."	Dangadze, Giorgi	English
12/27/2001	Policy Study	Comparative study of Ministries of Agriculture	Swanberg, Ken; Petrus, Joe; Feher, Istvan	English
2/8/2002	Policy Study	Comments on AgroBusiness Bank Terms of Reference	Van Atta, Don	English
2/10/2002	Policy Study	Recommendations on restructuring MAF inspection services	Didebulidze, Alexander	English
12/10/2001	Quarterly Report	PHASE II FIRST QUARTER REPORT: September 1-November 30, 2001	Don Van Atta	English

Annex 6. Project Translations during the Quarter

Date	Title	Author	Translator	Source Language	Target Language
12/4/2001	Role of Program Funding in Implementation of Innovation Policy	Tamaz Kunchulia	Lika Margania	Georgian	English
12/5/2001	Minister's Biography		Lika Margania	Georgian	English
12/5/2001	Budget 2001		Natia Gabelia	Georgian	English
12/6/2001	Contract/Private Security		Natia Gabelia	Georgian	English
12/6/2001	Initial Description of SAVE project activities	USAID	Lika Margania	English	Georgian
12/6/2001	Zugdidi inter-regional station (Intermediate act-30.10.01)		Rusudan Arveladze	Georgian	English
12/7/2001	MAF order number 2-85 of May 28, 2001 - About approval of charter of inspection of agricultural production and flour quality	Mamuka Matiashvili	Giorgi Dangadze	Georgian	English
12/7/2001	Report of Work done in IV Quarter	Akaki Gikoshvili, Ketí Shengelia	Lika Margania	Georgian	English
12/10/2001	Vazha Tabatadze EBD		Lisa Basishvili	Russian	English
12/11/2001	MAF Weekly Planning Meeting Minutes (10.12.01)		Rusudan Arveladze	Georgian	English
12/11/2001	Village Ergneti (Intermediate act-30.11.01)		Rusudan Arveladze	Georgian	English
12/13/2001	Hungary Grain and Feed News from the Grains Sector	Paul Spencer-MacGregor	Lika Margania	English	Georgian
12/14/2001	Draft employment contract	Givi Merabishvili	Natia Gabelia		
12/14/2001	Minute № 3 of Competition-Attestation Commission of the Ministry of Agriculture and Food of Georgia	Keti Shengelia	Lisa Basishvili	Georgian	English
12/15/2001	Draft Project of PR Activities	Mako Bigvava	Lika Margania	Georgian	English
12/17/2001	Employment Contract in Georgian		Natia Gabelia	Georgian	English
12/18/2001	Jamestown Foundation Monitor, December 7, 2001		Lisa Basishvili	English	Georgian
12/19/2001	Question on Georgian Wheat Delivery	Gerald J. (Ria)	Lika Margania		
12/19/2001	MAF Weekly Planning Meeting Minutes		Rusudan Arveladze	Georgian	English
12/20/2001	Multiple Peril Crop Insurance	American Agrinsurance, Inc.	Lika Margania	English	Georgian
12/24/2001	SAVE RFP: Section C - Description/Specifications/Statement of Work	USAID	Lika Margania	English	Georgian

12/26/2001	MAF Weekly Planning Meeting Minutes		Rusudan Arveladze	Georgian	English
12/28/2001	Letter by International Service Corporation	International Service Corporation	Lika Margania	English	Georgian
1/4/2002	Results of attestation	Keti Shengelia	Rusudan Arveladze	Georgian	English
1/4/2002	Results of Attestation	Keti Shengelia	Rusudan Arveladze	Georgian	English
1/8/2002	Letter of Richard Swanson	Rick Swanson, USAID	Rusudan Arveladze	English	Georgian
1/8/2002	A letter to Mr. Don Van Atta about the attestation results	Mamuka Matiashvili	Lika Margania	Georgian	English
1/8/2002	Draft Letter about developing the new unit - a Council	Giorgi Iakobashvili	Lika Margania	Georgian	English
1/9/2002	Recommendations on Restructuring of Inspection Agencies within MAF: Terms of Reference	Don Van Atta	Lisa Basishvili	English	Georgian
1/9/2002	Authority of Chamber of Control	Eka Otarashvili	Natia Gabelia	Georgian	English
1/9/2002	Response to the letter		Rusudan Arveladze	Georgian	English
1/10/2002	differences between versions of act of Chamber of Control on Phytosanitary Quarantine Inspection	MAF Internal Control Unit	Lisa Basishvili	Georgian	English
1/10/2002	Inspection Results	Levan Khundadze	Lisa Basishvili	Georgian	English
1/10/2002	European Union Agricultural Situation Export Refunds on Fruit and Vegetables 2001	USDA GAIN Report	Lika Margania	English	Georgian
1/11/2002	Phase I Deliverables		Natia Gabelia	English	Georgian
1/12/2002	Minutes of the Shareholders' Meeting		Lika Margania, Translator	English	Georgian
1/15/2002	Report about the visit of David Kirvalidze to Ajara	Giga Kurdovanidze	Rusudan Arveladze	Georgian	English
1/16/2002	Phase I Final Report	Don Van Atta	Natia Gabelia	English	Georgian
1/17/2002	Revised employment contract		Natia Gabelia	English	Georgian
1/18/2002	Comments on the Results of Attestation	Keti Shengelia	Lika Margania, Translator	Georgian	English
1/21/2002	Chamber of Control		Rusudan Arveladze	Georgian	English
1/22/2002	Letter to the Minister from Mr. Don Van Atta	Don Van Atta	Lika Margania	English	Georgian
1/22/2002	Warning Letter to Akaki Gikoshvili	Don Van Atta	Natia Gabelia	English	Georgian

1/22/2002	Restatement of various project policies	Don Van Atta	Lisa Basishvili		
1/23/2002	MAF website information	Giga Kurdovanidze	Rusudan Arveladze	Georgian	English
1/24/2002	Working Schedule of RAE Team	Vazha Tabatadze	Natia Gabelia	Georgian	English
1/28/2002	Report		Rusudan Arveladze	Georgian	English
1/28/2002	MAF order N2-7, On confirming the rules of issuing the certificates of places of origin and compliance over the export beverage products of Georgia		Lisa Basishvili	Georgian	English
1/28/2002	MAF order N 2-30 About ratification of the rule of issuing the appropriate certificates by department "Samtresti" about Georgian origin of export alcohol products from Georgia		Lisa Basishvili	Georgian	English
1/29/2002	An article from the newspaper		Rusudan Arveladze	Georgian	English
1/30/2002	"Do former Ministers of Finance seek shelter in agriculture?" <i>dilis gazeta</i> , January 5, 2002	Nutsa Jorbenadze	Rusudan Arveladze	Georgian	English
1/31/2002	RAE Work Plan and Ministry Restructuring	Don Van Atta	Lika Margania	English	Georgian
2/1/2002	Weekly report		Rusudan Arveladze	Georgian	English
2/1/2002	Tables for Data on the Areas of the Lands and Land taxes		Lika Margania	Georgian	English
2/1/2002	Analysis of Current Facilities to Raise Sums from Land Tax and Leasing Fee Payments for Privatized and Leased Agricultural Land		Lika Margania	Georgian	English
2/4/2002	Article on "Kakheti bread"		Rusudan Arveladze	Georgian	English
2/5/2002	Intermediate act: Examination of Gori Phytosanitary Quarantine Station		Rusudan Arveladze	Georgian	English
2/5/2002	Letter to Mr. Van Atta	George Tkeshelashvili	Lika Margania	Georgian	English
2/5/2002	Memorandum	Genadi Kerdzevadze	Lika Margania	Georgian	English
2/5/2002	Note about the problems in the Protocol Service of the Apparatus of the MAF	Lasha Tavartkiladze, head of the Protocol Service	Lika Margania	Georgian	English
2/6/2002	USDA Revises Standards for Wheat Food Aid Purchases	FAS online, News Releases #PR 0037-02	Lika Margania	English	Georgian
2/6/2002	Our Proposals and comments on the Laws about Veterinary, Foodstuff and Tobacco	Giorgi Dangadze	Lisa Basishvili	Georgian	English
2/7/2002	MAF Weekly Planning Meeting Minutes		Rusudan Arveladze	Georgian	English
2/8/2002	Invoice		Natia Gabelia	English	Georgian

2/9/2002	Memorandum	Don Van Atta	Lika Margania	English	Georgian
2/11/2002	Proposals and comments on Georgian Law on Standardization	Giorgi Dangadze	Lika Margania	Georgian	English
2/11/2002	RAE Report		Natia Gabelia	Georgian	English
2/12/2002	Invitation to Budapest	World Bank	Natia Gabelia	English	Georgian
2/13/2002	MAF Weekly Planning Meeting Minutes		Rusudan Arveladze	Georgian	English
2/13/2002	RAE Report		Natia Gabelia	Georgian	English
2/16/2002	Commentary "Kto Vinovat?"	Liz Fuller, RFE/RL	Lika Margania	English	Georgian
2/16/2002	Shevardnadze's eroding political base affects relations with Russia	Jamestown Foundation Monitor	Lika Margania	English	Georgian
2/16/2002	Attestation-competition commission draft-charter	Akaki Gikoshvili	Natia Gabelia	Georgian	English
2/19/2002	MAF Order # 18-M, February 12, 2002	Genadi Kerdzevadze, Head of the Ministry Apparatus	Lika Margania	Georgian	English
2/20/2002	Request	DM David Shervashidze	Lika Margania	Georgian	English
2/20/2002	memorandum on case of 'Kakheti puri'	Mamuka Matiashvili	Natia Gabelia	Georgian	English
2/20/2002	Recommendations about restructuring of inspection services of the Ministry of Agriculture and Food of Georgia.	Alexander Didebulidze	Lisa Basishvili	Georgian	English
2/21/2002	RAE Points		Natia Gabelia	Georgian	English
2/21/2002	MAF Weekly Planning Meeting Minutes		Rusudan Arveladze	Georgian	English
2/22/2002	Memorandum of Understanding	New Holland Italy S.p.A	Lika Margania	English	Georgian
2/23/2002	Austrian Organic Food Market		Natia Gabelia	English	Georgian
2/25/2002	MAF Order N2-10, about ratification of charter of monitoring and commodity analysis service of the Ministry of Agriculture and Food of Georgia		Lisa Basishvili	Georgian	English
2/26/2002	Information	Don Van Atta	Lika Margania	English	Georgian
2/27/2002	Invoice		Lika Margania	English	Georgian
2/27/2002	Quick Survey of the Lands Damaged By Recent Wind Storms: Report on a quick survey made of the lands damaged by recent wind storms in Sagarejo, Signagi and Dedoplistckaro		Lisa Basishvili	English	Georgian
2/28/2002	Ministry Order #15		Lika Margania	Georgian	English
2/28/2002	"U.S. May Send G.I.'s to Ex-Soviet Area in Training Mission," <i>New York Times</i>	Eric Schmitt	Lika Margania	English	Georgian
2/28/2002	Proposals concerning Special Revenues	Mamuka Matiashvili	Natia Gabelia	Georgian	English

Annex 7. Major Meetings and Travel during the Quarter

Date	Title/Description	Location	Staff participants
11/30/2001-12/11/2001	TAMIS training (jointly with Water Project)	Tbilisi, Georgia	All project staff, Tanya Torres, DAI Home Office
12/5/2001	Attestation commission meeting	DM Mamaladze's office	Keti Shengelia, Akaki Gikoshvili
12/5/2001	Expanded session of Georgian Agrarian University Academic Council on agricultural effects of pipeline construction	Georgian Agrarian University	Alexander Didebulidze
12/6/2001	Orientation briefing for World Bank RAE staff	MAF	Mamuka Matiashvili, Otari Chigladze
12/6/2002	Conference on regulation of viticulture and wine-making	Hotel "Favorite," Tbilisi	Giorgi Dangadze, Mamuka Matiashvili
12/17/2001	Written attestation examination for MAF Central Apparatus employees	MAF	Akaki Gikoshvili, Keti Shengelia
12/27/2001	Attestation commission meeting (confirms attestation results)	MAF	Keti Shengelia, Akaki Gikoshvili
12/27-28/2001	Minister Kirvalidze and DM Shervashidze visit Ajara	Ajara	Giga Kurdovanidze
1/11/2002	Meeting about biological agricultural production law	State chancellery, Tbilisi	Giorgi Dangadze
1/21/2002	Meeting about biological agricultural production law with DM Finance	Ministry of Finance, Tbilisi	Giorgi Dangadze
1/24/2002	Meeting on agricultural equipment leasing	DM Mamaladze's office, MAF	Alexander Didebulidze
1/31/2002	UNEP/GEF conference	Ministry of Environmental Protection, Tbilisi	Bidzina Korakhashvili
2/7/2002	Conference on Poverty Reduction and Economic Growth Program	State chancellery, Tbilisi	Bidzina Korakhashvili
2/12/2002	review of project and project work plan	USAID Caucasus mission	Don Van Atta
2/15/2002	Annual meeting of Georgian Academy of Agricultural Sciences	Tbilisi	Alexander Didebulidze

Travel by staff members working with MAF internal control department not shown.

Annex 8. Abbreviations

AAF	Administration of Agriculture and Food
CAP	Common Agricultural Policy
DAI	Development Alternatives, Inc.
DAWE	Department of Amelioration and Water Economy
DM	Deputy Minister
EBD	employee biodata form (USAID)
EC	European Commission
EU	European Union
FAO	United Nations Food and Agriculture Organization
FSP	EC Food Security Program
FSU	Former Soviet Union
GEL	Georgian lari (national currency)
GSP	Generalized System of Preferences (US tariffs)
GESP	Georgia Enterprise Support Project
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
MAF	Ministry of Agriculture and Food of Georgia
OECD	Organisation for Economic Co-operation and Development
PSQI	Phytosanitary Quarantine Inspection (MAF)
PREGP	Poverty Reduction and Economic Growth Program (IMF/WB)
RAE	Risk Assessment Exercise (WB project)
RAPA	Restructuring Assistance and Policy Advice for the Ministry of Agriculture and Food of Georgia Project (“BASIS Georgia”)
RFE/RL	Radio Free Europe/Radio Liberty
ToR	terms of reference
USAID	United States Agency for International Development
UNDP	United Nations Development Program
UNEP	United Nations Environmental Program
USDA	United States Department of Agriculture
WB	World Bank
WTO	World Trade Organization